UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/092,005	03/06/2002	Gordon P. Getty	8102P001	7579

8791 7590 10/15/2007

BLAKELY SOKOLOFF TAYLOR & ZAFMAN
1279 OAKMEAD PARKWAY
SUNNYVALE, CA 94085-4040

EXAMINER	
LIVERSEDGE, JENNIFER L	
ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
10/15/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/092,005	GETTY, GORDON P.	
	Examiner	Art Unit	
	Jennifer Liversedge	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *20 August 2007*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-23* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-23* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 10/092,005 filed on August 20, 2007.

The amendment contains original claims: 9 and 11.

The amendment contains amended claims: 1-8, 10 and 12-17.

The amendment contains new claims: 18-23.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 9-10 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The written description discloses an auction being used to "determine[e] which investment fund or shares are to have shares purchased by the liquidity vehicle and how many" (page 5). However, there is not a description of fees being determined by an auction.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 8-10 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 8 refers to a liquidity vehicle charging a fee in connection with the purchase of a sale. Examiner interprets this to be a fee charged for the service of purchasing shares by the liquidity vehicle. However, claims 9-10 refer to the fee being determined through an auction. The auctioning of the fees is unclear. If a fee is charged by the liquidity vehicle, it is interpreted by the examiner that the fee would then presumably be paid by the investment fund receiving the service. However, it is unclear if an auction is established solely for the determination of a service fee wherein investment funds participate in the auction of a fee.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 7,035,820 B2 to Goodwin et al. (further referred to as Goodwin), and further in view of US Pub 2003/0074300 A1 to Norris (further referred to as Norris).

Regarding claims 1 and 4, Goodwyn discloses a method of providing liquidity utilizing a liquidity vehicle, comprising:

(a) at least one investment fund wanted to receive liquidity services registering with the liquidity vehicle (column 9, lines 15-25; column 14, lines 17-20);

(b) prompting at least one registered investment fund having a net share outflow to offer shares to the liquidity vehicle (column 10, lines 26-31; column 12, lines 19-58; Table 1, buyer and seller alerts; column 22, lines 10-18; column 24, lines 40-46; column 25, lines 17-64); and

(c) the liquidity vehicle purchasing at least one offered share of the at least one registered investment fund with proceeds of the purchase going to the at least one registered investment fund (column 2, lines 32-37; column 9, lines 40-45; column 17, lines 48-54).

Goodwyn does not disclose holding the at least one purchased share in the liquidity vehicle for a period of time. However, Norris discloses holding the at least one

purchased share in the liquidity vehicle for a period of time (page 1, paragraphs 5-6; page 2, paragraph 14;page 5, paragraphs 48, 52-53 and 55; page 6, paragraphs 61-62; page 7, paragraphs 80-81). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the selling of shares of securities through registration at a website as disclosed by Goodwyn to adapt the use of repurchase agreements as disclosed by Norris. The motivation would be that both sales and repurchase agreements result in the sale of shares of a security and both are common and well known financial transactions in the financial field. Adapting the ability to engage in repurchase agreements using the website offering the sale of securities would result in the offering of a broader range of like financial transactions known in the art.

Regarding claims 2 and 3, Goodwin discloses wherein the at least one registered investment fund is prompted by a third party (column 10, lines 26-31; column 12, lines 19-58; Table 1, buyer and seller alerts; column 22, lines 10-18; column 24, lines 40-46; column 25, lines 17-64). Goodwin does not specifically disclose where the prompting is performed by the liquidity vehicle. However, it would have been obvious to one of ordinary skill in the art at the time of the invention that the liquidity vehicle could do the prompting. For example, the liquidity vehicle could be operating the trading system such that the liquidity vehicle would then be the party prompting. Eliminating a third party is an old and well known process.

Regarding claim 5, Goodwin does not specifically disclose wherein the at least one offered share is purchased in operation (c) prior to the next trading day after an occurrence of an outflow of shares of the same at least one registered investment fund. However, Goodwin discloses a computer web site for which users have access to access in order to list items for sale in order to provide expedited liquidity (column 2,lines 32-46) in which buyers receive notification of available products for sale that match their preferences (column 12, lines 19-58). It would be obvious to one of ordinary skill in the art at the time of the invention for a buyer to buy shares of a listed investment fund with shares available for sale, and to do so prior to the next trading day. If a seller lists shares for sale on the liquidity system as disclosed by Goodwin, it is because the seller is actively seeking liquidity in the shares. A buyer who has listed preferences that match the items for sale would then want to buy those shares as they become available in order to maximize their investments strategies. If the buyer waits and the funds are not bought by the next trading day, the seller seeking liquidity could be interested in then opening the sale to a broader audience, the buyer would potentially loose out on the opportunity for investment. The computerized, Internet or other network based system of Goodwin provides a means of continual listing, notification, and matching of offers to buy and sell such that the parties are not restricted to trading day limitations.

Regarding claims 6-7 and 13-14, Goodwin does not specifically disclose wherein operation (e) is performed prior to a next trading day following an occurrence or within five or a specified number of trading days of an occurrence of an inflow of shares of the

same at least one registered investment fund. However, it would have been obvious to one of ordinary skill in the art to designate a timeframe to include prior to the next trading day or within 5 days when an inflow of shares has been received. The motivation would be that the sale and purchase of the shares, as established in the original transaction, was meant to provide liquidity while the investment fund was in a state of need. When the investment fund is no longer in a state of need, the investment fund would then regain ownership of the shares per the original agreement. The intent of the transaction is to provide short term liquidity and thus the time frame of the trade of funds for shares is also short term. Norris, for example, specifically discloses where the time frame is negotiated between parties and can range from anywhere to overnight to multi-week depending on requirements of parties (page 7, paragraph 84; page 8, paragraph 96).

Regarding claims 8, 11 and 12, Goodwin discloses wherein a fee is charged in connection with the purchase of the at least one offered share (column 10, lines 10-19). Goodwin does not disclose where the fee is determined and charged by the liquidity vehicle. However, it would be obvious to one of ordinary skill in the art that a liquidity vehicle could determine and charge fees, as it is old and well known in the field of conducting financial transactions to charge fees. As the liquidity vehicle is providing a service by purchasing shares from an investment fund requiring liquidity, it would be obvious for the liquidity vehicle to charge a fee for providing that service. It is old and well known for fees to be charged by various parties of a transaction for various

elements of the transaction, ranging from initiation fees, documentation fees, closing fees, fees per dollar value of transaction, fees per number of transactions, fees based on the volume of a transaction, feed charged for late payments, fees for early termination, fees charged by a lender, fees charged by third parties, etc. As it relates to claim 2, Goodwin discloses fees being charged by the system operator. In the case of Goodwin, the system operator is a third party. However, as stated in the rejection of claim 2 above, it would be obvious that the liquidity provider could be the system operator, in which case the fee as disclosed by Goodwin would then be charged by the liquidity provider. Given the old and well known nature of charging fees by all involved parties and for any unlimited number of elements of a transaction, it would be obvious to one of ordinary skill in the art that the liquidity vehicle could charge any number of fees in exchange for the service of offering liquidity provided.

Regarding claims 9-10, Goodwin discloses wherein a purchase price is determined though an auction (column 2, lines 32-46; column 7, lines 63-67; column 24, lines 30-33; Table 3). Goodwin does not disclose wherein the fee is determined through an auction or a Dutch auction. However, it would be obvious to one of ordinary skill in the art that if the purchase is being conducted via an auction, that all applicable fees could be included in the price that is visible such that a bidder is bidding on a total price for the amount of liquidity required as well as the fees associated therewith.

Regarding claims 15-23, further system and computer readable medium claims would have been obvious in order to implement the previously rejected method claims 1-14 and are therefore rejected using the same art and rationale.

Response to Arguments

Applicant's arguments with respect to claims 1-23 have been considered but are moot in view of the new ground(s) of rejection.

However, Examiner adds remarks with regards to specific points in the arguments submitted in the present amendment. Applicant specifically argued the prior used in the previous Office Action (Kiron) failed to show any registration of an investment fun with a liquidity vehicle, and that there is no auction or fees associated with the process as disclosed by the Kiron system. The presently used prior art (Goodwin) specifically discloses registration of an investment fund, wherein auctions are used and fees are assessed as part of the process.

Conclusion

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

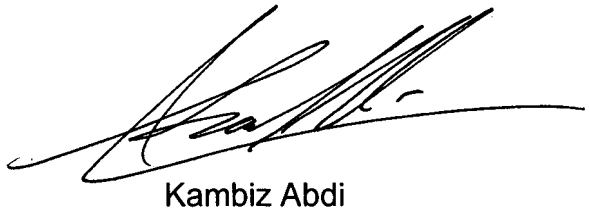
Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

Art Unit 3692



Kambiz Abdi

Supervisory Patent Examiner

Art Unit 3692